

United States Courts
Southern District of Texas
FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

NOV 25 2024

In re: Case No.: 22-90273
COMPUTE NORTH HOLDINGS, INC., (Jointly Administered) Nathan Ochsner, Clerk of Court
et al.,
Debtors. Judge: Honorable Judge Marvin Isgur

NOTICE OF PENDING LITIGATION

TO THE HONORABLE JUDGE MARVIN ISGUR AND ALL PARTIES IN INTEREST:

COMES NOW, Plaintiff **Vince Faridani** (Pro Se), and hereby files this Notice of Pending Litigation, notifying the Court of ongoing litigation involving Touzi Capital LLC and its CEO, Eng Taing, which may materially affect the bankruptcy estate and necessitates immediate court intervention to preserve the integrity of the proceedings and protect the rights of creditors.

I. BACKGROUND OF PENDING LITIGATION

1. **Nature of Claims:** Plaintiff has filed a lawsuit in the United States District Court for the Northern District of Illinois against Touzi Capital LLC and its CEO, Eng Taing, alleging federal securities fraud, breach of contract, and unjust enrichment.
2. **Case Number:** 1:24-cv-08030
3. **Allegations:** The lawsuit arises from a fraudulent cryptocurrency investment scheme orchestrated by Defendants, resulting in substantial financial losses for Plaintiff and other investors.
4. **Related Conduct:** Defendants are engaged in multiple lawsuits alleging a consistent pattern of financial misconduct, including:

- Fraudulent misrepresentation in investment agreements.
- Financial mismanagement resulting in investor losses.
- Breach of fiduciary duties in handling investor funds.

These allegations reinforce the necessity of staying the distribution of funds to safeguard the interests of Plaintiff and other creditors.

II. SIMULTANEOUS MOTION TO STAY DISTRIBUTION

Plaintiff is concurrently filing a **Motion to Stay Distribution** of funds to Touzi Capital LLC, seeking to preserve the integrity of the bankruptcy estate and protect creditors from the risk of irreparable harm. The **Motion to Stay Distribution** outlines in detail the necessity of court intervention to prevent dissipation or concealment of assets that may be subject to Plaintiff's claims in the ongoing litigation.

III. RISK OF IRREPARABLE HARM

Allowing distribution of funds to Touzi Capital LLC presents an imminent risk of irreparable harm:

1. **Dissipation or Concealment of Funds:** Defendants have demonstrated evasive behavior, including refusal to engage in pending litigation despite proper service. There is a significant risk that distributed funds will be dissipated, transferred to offshore accounts, or otherwise concealed, rendering any judgment in favor of Plaintiff unenforceable.
2. **Impact on Creditors:** Premature distribution undermines the judicial process, deprives Plaintiff and other creditors of rightful recovery, and jeopardizes the integrity of the bankruptcy estate. This Court has a duty to ensure that creditors' claims are fairly adjudicated before disbursement occurs.

3. Irreversible Consequences: Without a stay, Plaintiff will be left without recourse, as recovering funds from dissipation is often impossible or prohibitively difficult.

IV. LEGAL BASIS FOR REQUEST

Under **11 U.S.C. § 105(a)**, this Court has broad equitable powers to issue orders necessary to protect the integrity of the bankruptcy process and the rights of creditors. Precedent supports staying distributions in cases where unresolved litigation or allegations of fraud could impact the outcome:

- **In re Energy Future Holdings Corp., 575 B.R. 616 (D. Del. 2017):** Recognized the necessity of staying distributions to prevent irreparable harm to creditors and preserve the status quo.
- **In re Continental Airlines, Inc., 91 F.3d 553 (3d Cir. 1996):** Affirmed the bankruptcy court's authority to issue stays to ensure equitable treatment of creditors and prevent dissipation of assets.

By granting the requested stay, this Court will protect the interests of all parties involved and uphold the principles of fairness and justice.

V. PUBLIC POLICY AND JUDICIAL INTEGRITY

1. **Maintaining Public Confidence:** Permitting distribution of funds to Defendants implicated in alleged fraudulent conduct undermines public trust in the judicial system. The Court's intervention is essential to prevent misuse of the bankruptcy process as a shield for misconduct.
2. **Ensuring Accountability:** Staying distribution ensures that Defendants are held accountable for their alleged actions, protecting the rights of creditors and reinforcing the integrity of these proceedings.

3. **Promoting Fairness:** Protecting the bankruptcy estate from premature distribution aligns with public policy and ensures that all creditors receive equitable treatment.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Honorable Court:

1. **Take Judicial Notice:** Acknowledge the ongoing litigation involving Touzi Capital LLC and Eng Taing.
2. **Stay Distribution:** Issue an order staying the distribution of any funds to Touzi Capital LLC and related entities until the resolution of Plaintiff's claims, as outlined in the simultaneously filed **Motion to Stay Distribution**.
3. **Hold Funds in Escrow:** Direct that any distributions designated for Touzi Capital LLC remain in escrow under the Plan Administrator's control to prevent dissipation.
4. **Require an Accounting:** Order Touzi Capital LLC to provide a detailed accounting of all funds received or anticipated from the bankruptcy estate.
5. **Schedule an Expedited Hearing:** Schedule a hearing to address the urgent nature of this notice and permit Plaintiff to attend electronically via videoconference or telephone, given Plaintiff's location in Florida.
6. **Grant Further Relief:** Provide such other and further relief as the Court deems just and proper to ensure justice and fairness in these proceedings.

Dated: November 19, 2024.

Respectfully Submitted,

/s/ Vince Faridani
Vince Faridani
Pro Se Plaintiff
8471 Strom Park Drive
Melbourne, FL 32940

Phone: 954-774-1391
Email: VFaridani@hotmail.com

CERTIFICATE OF SERVICE

I, Vince Faridani, pro se Plaintiff, do hereby certify that a true and correct copy of Plaintiff's Motion for Default was sent by UPS mail on November 19, 2024 to the United States Bankruptcy Court for the Southern District of Texas, P.O. Box 61010, Houston, TX 77208.

/s/ Vince Faridani

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The Honorable Judge Marvin Isgur
United States Bankruptcy Court
for Southern District of Texas
515 Rusk Avenue
Houston, TX 77002

Nathan Ochsner, Clerk of Court

Dear Honorable Judge Marvin Isgur,

I am writing to this Court to respectfully submit my Notice of Pending Litigation and Plaintiff's Motion to Stay Distribution of Funds to Touzi Capital LLC in relation to Case No. 22-90273. I am filing a Notice of Pending Litigation to let this Court know that I filed a case against Touzi Capital, LLC and its CEO Eng Taing in the United States District Court for the Northern District of Illinois, Case No. 1:24-cv-08030 and a Motion to Stay Distribution of Funds with the intent to protect funds designated for distribution to Touzi Capital LLC in Case No. 22-90273.

Enclosed with this letter, please find a copy of the Notice and Motion I am requesting to be filed in Case No. 22-90273.

I am available to provide any additional information or clarification as needed. Thank you for your time and consideration.

Sincerely,

/s/ Vince Faridani

Vince Faridani
Pro Se Plaintiff